
**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The meeting was called to order by Chair Paul Bowlen at 10:10 a.m. There was a quorum.

Members Present

Barnes, Christine	City of La Palma
Bowlen, Paul (Chair)	City of Cerritos
Chastain, Kelly*	SANBAG
Coerper, Gil	City of Huntington Beach
Davert, Doug	City of Tustin
Dispenza, Mike	City of Palmdale
Edney, Jon A. (Vice Chair)	City of El Centro/IVAG
Fesmire, Melanie	CVAG
Herzog, Peter*	OCCOG
Jasper, Timothy	City of Apple Valley
Krause, Mary Ann	City of Santa Paula
Lantz, Paula	City of Pomona
Loveridge, Ronald	City of Riverside
McCallon, Larry	City of Highland
McCullough, Kathryn	OCCOG
Norby, Chris	Orange County
Nowatka, Paul	City of Torrance
Nuñez, John	SGVCOG
Olhasso, Laura	Arroyo Verdugo Subregion
Poe, Marilyn	City of Los Alamitos
Ring, Bob	OCCOG
Robertson, Deborah	City of Rialto
Tyler, Sidney*	SGVCOG
White, Charles	WRCOG Subregion

Members Not Present

Arguello, Daniel	SGVCOG
Daigle, Leslie	OCCOG
Green, Cathy	OCCOG
Hofmeyer, Daryl	City of Paramount
Kirby, Dan	SGVCOG

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

McSweeney, Susan	City of Westlake
Perry, Jan	City of Los Angeles
Ramirez, Rick	Gateway Cities
Reyes, Ed	City of Los Angeles
Richardson, Laura	City of Long Beach
Serrano, Joseph	Gateway Cities
Ten, Mike	SGVCOG

**Indicates new member(s).*

1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

Chair Paul Bowlen called the meeting to order at 10:10 a.m. The Chair asked Mayor Loveridge to lead the Committee in the Pledge of Allegiance. Chair Bowlen welcomed new members to the Committee, Kelly Chastain representing SANBAG, who also attended October's meeting; and Councilmember Sydney Tyler representing SGVCOG.

2.0 PUBLIC COMMENT PERIOD

The Chair requested that those who had public comments would wait until the item of interest was discussed.

Richard Robertson a student at University of Michigan, spoke on the issue of homelessness in this country.

3.0 REVIEW AND PRIORITIZE AGENDA ITEMS

Items 6.1 State of the Region was moved to the meeting in December.

4.0 CONSENT CALENDAR

It was moved by Councilmember Jasper and seconded by Councilmember Coerper to approve the consent calendar as submitted. Before action was taken on the Consent Calendar, Joann Africa, SCAG Deputy Legal Counsel brought to the Committee's attention that item 4.2.4 Minutes of September 28, 2006 RHNA Subcommittee, were the wrong version of the minutes and that there were correct versions available for the members. She further stated that item 4.2.6 Minutes of the October 19, 2006 RHNA Subcommittee requires the Subcommittee to hold a session and approve the minutes, before they can be approved by the CEHD. Ms. Africa suggested to defer this until the

COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

November 2, 2006

Minutes

next meeting of the subcommittee. It was moved by Councilmember Edney moved and Councilmember Coerper seconded to defer action on item 4.2.6 regarding the October 19, 2006 Subcommittee minutes until the next meeting. It was approved unanimously.

The rest of the consent calendar was moved by Councilmember Jasper and seconded by Councilmember Coerper for approval. The motion passed unanimously.

4.1 Approval Item

4.1.1 Minutes of October 5, 2006 Meeting

4.2 Receive and File

4.2.1 Written Communication Regarding RHNA Methodology

4.2.2 2007 Meeting Calendar for the Administration and Policy Committees and Regional Council

4.2.3 Minutes of September 21, 2006 RHNA Subcommittee Meeting 31

4.2.4 Minutes of September 28, 2006 RHNA Subcommittee Meeting #2

4.2.5 Minutes of October 12, 2006 RHNA Subcommittee Meeting #3

5.0 ACTION ITEMS

5.1 Proposed 2007 SCAG Legislative Program

Jeff Dunn, SCAG Staff, presented the draft 2007 SCAG Legislative Program for the Federal and State legislative priorities for the agency. The program acts as the guiding document that gives SCAG the authority to do what it does legislatively at the State and Federal level. It also serves as a means to prioritize the agency functions. Mr. Dunn highlighted two portions of the document, the first is a specific reference to move forward with the RHNA Pilot Program to move through the Legislative session next year. The second item of interest is the transportation and housing bonds to be voted on in the upcoming election. Mr. Dunn went on to discuss how the Develop and Monitor Section of the report under Community, Economic and Human Development are items intended for developing activities which were approved by the CEHD previously.

Staff then asked for Committee support to move this item on to the Regional Council in December, and if approved it will then be printed.

COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

November 2, 2006

Minutes

Mayor Loveridge asked that staff do a report on legislative items that had been accomplished in 2006. Mr. Dunn stated that staff had done an end of session report that was agendized in October that did not focus specifically on legislative program items but highlighted major pieces of legislation that was passed. Mr. Dunn said staff could prepare a summary of items that were included in last year's legislative program and what was the final action.

There were various questions asked by Councilmember Olhasso, Councilmember Nunez on the distribution of bond money. Karen Tachiki, Chief Counsel answered the questions on the distribution of bond money.

Action: It was moved by Councilmember Coerper and seconded by Councilmember Nunez the CEHD approved the staff recommendation to forward the Legislative Program to the Regional Council with the stipulation that CEHD members could make recommendations for change to the Legislative Program for consideration by the CEHD at its December meeting prior to final referral to the RC that same day.

5.2 Report and Recommendations from the RHNA Subcommittee Regarding Policy Guidance for Preparation of the RHNA Methodology and the Regional Housing Needs Assessment Plan

Chair Bowlen commended Vice Chair Edney and the members of the RHNA Subcommittee for their hard work and dedication in working on the Subcommittee. He then asked the Vice Chair to conduct this portion of the meeting.

Chair Edney first thanked the committee members for their participation and for their efforts to provide a basis for the methodology for the upcoming RHNA cycle. Chair Edney also thanked the TAC for their participation in the process and for staff's efforts on behalf of the SCAG organization.

Chair Edney layed out the rest of the presentation first being the staff report on the outcome from the subcommittee meeting, the next would be comments from the subcommittee members if they chose to comment and finally he said there would be public comments.

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

Lynn Harris, Manager of the Community Development section, presented a summary report on the meetings of the RHNA Subcommittee. Ms. Harris started by the giving the role of the committee and purpose of framing the needs assessment process. She explained that the purpose of determining a regional housing needs methodology is to arrive at a regional construction need determination which is then allocated by jurisdiction and by income categories, using a "fair share" adjustment as part of the Housing Needs Allocation Plan.

Ms. Harris further stated that the CEHD Committee's purpose today is to determine whether or not the methodology recommended by the Subcommittee is a methodology deemed appropriate to move forward. The recommended action is to approve the methodology for Regional Council consideration and to direct staff to prepare the housing need allocation plan for Regional Council consideration upon completion of the upcoming regional public hearing and subregional workshops.

Ms. Harris proceeded to summarize the topics discussed at the Subcommittee meetings:

Fair Share adjustment;
Housing cost vacancy adjustment;
Market demand;
Farm worker housing;
Loss of at-risk low-income units;

Ms. Harris gave the issues and recommendations coming from the Subcommittee regarding guidance on how to consider the 2158 factors of the distribution of housing need. The regional fair share policy is recommended to be a 110% adjustment.

Ms. Harris then turned the discussion over to Joe Carreras, Housing Manager, who explained the meaning of 110% adjustment. He explained that you take the difference between the local income profile in location communities and the county program and take that difference and multiply it by 110% to get the housing diversity goals by income group. Mr. Carreras gave an example of how this process works between a high income city and a low income city.

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

Chair Edney gave each member the opportunity to make final comments about the work on the Subcommittee:

Councilmember Mary Ann Krause, Ventura County – commented that she had some concerns about giving additional housing to high housing cost jurisdictions because she feels it is difficult to create more low income housing. She also had problems with increasing the vacancy rate beyond the city's expectations. Even with these concerns she does agree with the finding of the Subcommittee because this called for looking at what worked for the region. Her other concern was the fair share adjustment. In summary, Councilmember Krause expressed her consensus with the Subcommittee.

Councilmember Carl Morehouse, Ventura County, Alternate – commended the Subcommittee for their ability to recognize that there had to be some compromise in coming to this conclusion. He also commended the work of the Technical Advisory Committee for their input in this work, for their ability to also look at the big picture. He also supported the recommendation of the Subcommittee. He hoped the CEHD would accept the Subcommittee's recommendation.

Councilmember Tim Jasper, San Bernardino County – started his comments with a thank you to Jon Edney for chairing the Subcommittee. Councilmember Jasper also spoke about taking into account what would be good for the region and not just local jurisdictions. Councilmember Jasper talked about the jobs housing balance concerns, having housing near the jobs. He agreed with the 110% approach and he strongly felt anything less would be against state law.

Councilmember Charles White, Riverside County, Alternate – felt the other members had covered anything he would say, he then called on Rick Bishop, CEO of WRCOG.

Rick Bishop, CEO, WRCOG – Mr. Bishop said that the COG concurred with the recommendation coming from the Subcommittee.

Councilmember Paul Nowatka, Los Angeles County – Councilmember Nowatka also thanked the chair for the good job that he did on this Subcommittee. Councilmember Nowatka strongly endorsed the Subcommittee recommendation.

Councilmember Gil Coerper, Orange County – Councilmember Coerper also commended the interaction of the TAC group in helping the Subcommittee come

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

to a consensus. He felt that the communication between committee members, staff, and the TAC worked well. He too agreed with the Subcommittee decision.

Chair Edney concluded the Subcommittee comments with his statement that he is proud of the work done on this committee because the members remembered that the work they did would be for the region and not just their jurisdictions. Chair Edney concluded that this methodology is fair and balanced for the entire region. After his comments Chair Edney opened up the discussion to public comments.

Corrie Kates, Indian Wells/Coachella Valley – Mr. Kates stated his intent was to voice his concerns are how the RHNA process affects the region. He went on to say he thought the Subcommittee had achieved a basic framework and felt that the outcome is a step forward in providing regional housing but he felt there still needed to be some coexistence for a different methodology, approaches for jurisdictions that have unique circumstances. Such as vacancy rates, seasonality, looking at the needs of desert communities versus Los Angeles, or San Diego or Orange County. He suggested developing incentive programs possibly for cities that meet their RHNA goals and exceed their RHNA goals. Developing RDA incentive programs where cities can collaborate together to combat the issues of the local politics and providing for the regional needs to the valley or the areas that have the affordable housing needs, such as developing a credit program.

When Mr. Kates further stated the appeals process should be looked at, Chair Edney asked that comments regarding the Pilot Program and the appeals process be raised during that item's discussion later in the meeting. Mr. Kates concluded that he felt there should be other methods looked at before making a final decision on the 110% alternative.

Chair Edney then gave others the chance to speak with the stipulation that comments be kept short. He then moved the staff recommendation with a motion to approve the methodology and direct staff to prepare the housing need allocation plan, it was seconded by Councilmember Jasper.

Councilmember Doug Davert voiced his concerns that this formula would have on his city and others. He felt this would cause some extreme results for his city, so therefore he could not support the methodology. He would be voting no.

Questions from Councilmember Laura Olhasso and Councilmember Paula Lantz how does this 110% match a stated policy goal of SCAG's of jobs-housing

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

balance. Hasan Ikhata, Director of Planning and Policy, said the 110% does not eliminate imbalance but takes a step forward to meet this goal.

Supervisor Chris Norby stated that the County of Orange had serious concerns about the methodology and asked that it be delayed. Supervisor Norby stated that the County could not support this recommendation. He then introduced Ruby Maldonado who presented a letter that was signed by Tim Neely, the Director of Planning and Development Services for the County of Orange. The letter stated that the County would like to request additional time to review the methodology and how that methodology was reached. The County feels that this methodology may result in an unattainable RHNA for the unincorporated area.

Councilmember Peter Herzog suggested that motion be amended to state that CEHD is not adopting any allocation numbers.

What followed was a series of comments regarding whether Mr. Herzog was an actual member of CEHD and could vote or make suggestion regarding amendment to motion as SCAG had not received an official letter from OCCOG regarding his appointment.

Councilmember Kathryn McCullough stated she would request the amendment to the motion in place of Mr. Herzog. The request for amendment was not accepted by the maker.

Councilmember John Nuñez asked if the Subcommittee had looked at the issue of delegation and possible litigation. Ms. Harris answered that the charge for the Subcommittee was to look at methodology only, the question about delegation was taken up that morning at the Executive and Administration Committees and would be discussed in front of the Regional Council at its upcoming meeting. Councilmember Nuñez asked if staff knew the results of those meetings. Mayor Loveridge answered \$20,000 for funding and \$25,000 for indemnification if delegation is accepted.

Councilmember Deborah Robertson suggested that Councilmember Herzog be allowed to vote at the meeting until official notice has been sent. Secondly, she stated she felt the Subcommittee had done the job they were appointed to do and that is to come up with the methodology. Councilmember Robertson felt the committee should move forward on this action now so the Committee could finish its agenda. She therefore called for the question.

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

Supervisor Burke, SCAG President, stated, as a point of clarification, that she understood that OCCOG did vote and the information was relayed to the Regional Council and to the Executive Committee, and that she did make the appointment of Mr. Herzog in September.

Chair Edney thanked the Supervisor and apologized to Mr. Herzog for the misunderstanding.

Councilmember McCullough wanted a restatement of the motion and asked about the amendment to the motion.

Chair Edney stated the motion is to approve the RHNA Subcommittee policy recommendations regarding the RHNA methodology and direct staff to prepare for the Regional Council's consideration the methodology and the draft regional housing need allocation plan upon completion of the upcoming regional public hearing and subregional workshops. Chair Edney stated that as the maker of the motion he did not wish to amend his motion.

Members then voted on the call for question which was approved by a majority vote.

Action: It was moved by Chair Edney and seconded by Councilmember Jasper that the CEHD approve the RHNA Subcommittee policy recommendations regarding the RHNA methodology and direct staff to prepare for the Regional Council consideration of the methodology and the draft regional housing need allocation plan upon completion of the upcoming regional public hearing and subregional workshops. The motion passed with a vote of 18 (yes) to 6 (no).

Chair Edney turned back the meeting to the CEHD Chair Bowlen.

5.3 RHNA Pilot Legislation

Karen Tachiki, Chief Counsel, presented the RHNA Pilot Legislation, the latest draft of language that is being circulated among the stakeholders that participated at the end of the session in late August. Ms. Tachiki stated that the language in the attachment is basically language that was prepared by representatives of the League of California Cities, with some changes by staff. Staff believes the

COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

November 2, 2006

Minutes

proposed changes in the language does not substantively alter the pilot program the Committee agreed to in August but it does clarify some issues.

Importantly, from the League's perspective, it clarifies the basis upon which cities may appeal their RHNA allocations: 1) an appeal of the methodology; or, 2) you can appeal based on a argument that SCAG has not appropriately considered the 2158 factor information that cities have presented; or, 3) a city can appeal because there has been some change in circumstance that hasn't previously been considered.

The change that is before the Committee is that SCAG has clarified that the RHNA you will adopt has to be consistent with the RTP and its accompanying air quality conformity determination. Ms. Tachiki would like the Committee to do is provide staff with direction to move forward with this language so that it can presented to the author in Sacramento to be moved forward. The Executive Committee heard this report and decided to defer to CEHD as the subject matter committee.

Councilmember Larry McCallon noted that the pilot program provides a unique opportunity for us to address a longstanding issue of housing your own. He suggested that use of a county median wage or salary approach be used instead of county median income. He thinks there should be more research on this matter before making a decision. This will give us time to give some consideration to housing your own.

Ms. Tachiki replied that it is felt there is pretty much a consensus on the draft language being presented. She stated that substantive changes might jeopardize the entire timetable that SCAG has to complete this round of the RHNA. Ms. Tachiki thought there may be some other opportunities in the legislative session to make some more changes, to housing laws but that a delay now may jeopardize getting to the legislative session as an urgency measure.

Mark Pisano, Executive Director, responded to the suggestion by Councilmember McCallon by stating there is difficulty of getting the information with more accurate numbers for the median wage/salary approach. Mr. Pisano suggested that SCAG pursue how to obtain a better data base and secondly, to discuss any further potential amendments with stakeholders before any action be taken to incorporate changes into draft legislation.

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

Councilmember Coerper moved and was seconded by Councilmember Ohlasso to approve the language presented, and instruct the Executive Director to proceed to the legislature with the final legislative language for the RHNA Pilot Program.

Councilmember White made a substitute motion to delay this item until December to be sure the CEHD Committee is clear to go forward with the action. It was seconded by Councilmember Robertson.

Ty Schuiling, SANBAG, commented that a key issue that has not been addressed by the CEHD and the Subcommittee proposals is the reliance on county median household income to define what constitutes an affordable housing unit in each county. He felt the reason this doesn't work is because of the tremendous difference between median incomes in certain counties versus others within what is a regional single housing market, and that this could result in housing units deemed affordable in one county that cost more than housing units deemed affordable in a county that be just a few feet across a county line. He ended his comments by saying he concurred with his colleagues to delay the proposed language to the legislation.

Staff was asked what effect would substitute motion cause to delay the bill. Mr. Pisano answered that staff had only until December 3rd to introduce this language. He then suggested that CEHD authorize staff to work with the author to get a bill submitted and then bring the item back in December so that SCAG might have whatever refinements we might wish to bring into the bill as it goes through committee but be allowed to continue in an urgency fashion.

Councilmember Paula Lantz said she would like a comparison between present language and language CEHD agreed to in August. She also asked about the issue of transfers.

Mayor Loveridge stated CEHD could authorize staff to move forward with language so as to allow for introduction of a bill, but bring this item back for further discussion.

Councilmember McCallon asked about vacancy rate in pilot language. Staff clarified that this vacancy rate is used for forecast submitted to HCD, and does not involve allocation methodology.

COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

November 2, 2006

Minutes

Supervisor Burke wanted to clarify the issue of the date a bill should be prepared in December, is so that it would be available for a vote in January. Also the Speaker had committed that once the various stakeholders came together, Senator Lowenthal said he would sponsor the bill and get it in to be voted on in January, if SCAG that has the language approved as emergency legislation, then SCAG would be able to meet the June deadline. If not, more money will have to spent in putting together the data that will be necessary to start over.

Councilmember White agreed to amend his substitute motion as suggested by Mayor Loveridge. This was also agreed to by Councilmember Robertson, who originally second the substitute motion.

Action: The substitute motion made by Councilmember White and seconded by Councilmember Robertson would be to bring this item back for further consideration in the CEHD and at the same time authorize staff to begin the process of introducing the legislation using the language in the report, and approving such language. The motion passed with a vote of 20 (yes), 2 (no) (two members had stepped out of the meeting).

6.0 INFORMATION ITEMS

- 6.1 Highlights of the Upcoming 2006 State of the Region
This item was moved to the December 14, 2006 meeting.

7.0 CHAIR'S REPORT
None.

8.0 STAFF REPORT
None.

9.0 FUTURE AGENDA ITEMS
None.

10.0 ADJOURNMENT


The Chair called for a motion to adjourn which motion carried. The meeting adjourned at 12:07 p.m. The next CEHD meeting will be held December 14, 2006, at the SCAG office.

**COMMUNITY, ECONOMIC, & HUMAN DEVELOPMENT COMMITTEE
of the
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

November 2, 2006

Minutes

Minutes Approved by:


Lynn Harris, Manager
Community Development